

## Message Text

UNCLASSIFIED

PAGE 01 KATHMA 02312 211610Z

65

ACTION NEA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-03 H-02 INR-07 L-02

NSAE-00 NSC-05 PA-02 PRS-01 SP-02 SS-15 USIA-15

AID-05 COME-00 EB-07 FRB-01 TRSE-00 XMB-04 OPIC-06

CIEP-02 LAB-04 SIL-01 OMB-01 STR-04 CEA-01 /101 W

----- 126620

R 211105Z MAY 75

FM AMEMBASSY KATHMANDU

TO SECSTATE WASHDC 1752

INFO AMEMBASSY NEW DELHI

UNCLAS KATHMANDU 2312

I

E.O. 11652: IOXA

TAGS: EFIN NP

SUBJ: DEVALUATION RUMORS REFUTED

1. IN LENGTHY STATEMENT TO PRESS MAY 15 ON ECONOMIC

SITUATION, PRIME MINISTER RIJAL STATED THAT RUMORS OF POSSIBLE DEVALUATION OF RUPEE WERE BASELESS. HE SAID THAT QUESTION OF DEVALUATION COULD NEVER ARISE SINCE NEPAL HAD CONVERTIBLE CURRENCY RESERVES SUFFICIENT TO COVER IMPORTS FOR ONE YEAR.

2. COMMENT: FOLLOWING ENACTMENT OF EPHXRMIC MEASURES REPORTED IN KATHMANDU 1930, THERE HAVE BEEN PERSISTENT RUMORS OF DEVALUATION OF NEPALESE RUPEE. DESPITE ABSENCE OF RATIONALE FOR DEVALUATION" AS BOTH NEPAL'S EXPORTS AND IMPORTS ARE RELATIVELY INELASTIC, RUMORS HAVE CONTINUED. PRIME MINISTER'S STATEMENT CONFIRMS REMARKS MADE BY

RASTRA BANK GOVERNOR SHARMA DURING CALL BY NEW DELHI

ECONOMIC COUNSELOR LANDS, THAT HE "COULD GUARANTEE THAT DEVALUATION WOULD NOT OCCUR IN NEXT THREE YEARS."

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 KATHMA 02312 211610Z

(REFERENCE TO THREE YEARS WE ASSUME REFERS TO REMAINDER

OF GOVERNOR SHARM'S TERM IN RASTRA BANK.) QUANTON

UNCLASSIFIED

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** RUPEE, ALLEGATIONS, DEVALUATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 21 MAY 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975KATHMA02312  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750179-0157  
**From:** KATHMANDU  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19750532/aaaabcpt.tel  
**Line Count:** 62  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION NEA  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** SmithRJ  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 24 JUL 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <24 JUL 2003 by BalzMJ>; APPROVED <03 FEB 2004 by SmithRJ>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
05 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** DEVALUATION RUMORS REFUTED  
**TAGS:** EFIN, NP  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006